



May 17, 2016

Basement Hearing Room
State Office Building

MINUTES

Call to order:

Representative Tim O'Driscoll, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 6:10 p.m.

Commission Members Present:

Representatives Albright, Anderson, Erickson, Kresha, Murphy, and O'Driscoll
Senators Hayden, Pappas, Rosen, Saxhaug, and Thompson

Commission Members Absent:

Representative Thissen and Senators Goodwin and Johnson

Agenda Items

Approval of the April 12, 2016, Meeting Minutes

Rep. Kresha moved approval of the April 12, 2016, meeting minutes. **MOTION PREVAILED**

Amendment H2807-12A: PERA-SVF; Eliminate expense reimbursement requirement.

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the amendment.

Nyle Zikmund, Fire Chief, Spring Lake Park-Blaine-Moundsview Fire Department, testified and provided a letter in support of the amendment.

Sen. Pappas moved Amendment H2807-12A. **MOTION PREVAILED.**

Amendment H2807-11A: Technical Corrections

Ms. Lenczewski reviewed Amendment H2807-11A.

Sen. Pappas moved Amendment H2807-11A. **MOTION PREVAILED.**

Amendment H2807-16A: MSRS, TRA, SPTRFA; Reduction of COLA for one year, elimination of COLA triggers, SPTRFA employer contribution increase.

Motion LCPR16-M4; MSRS contribution rate increase rejection and Motion LCPR16-M5; TRA contribution rate increase rejection, were distributed for Commission consideration.

Laurie Hacking, Executive Director, TRA, testified that because the TRA board did not inform the LCPR by the statutory deadline of their intent to raise contribution rates, no rates increases can go into effect.

David Bergstrom, Executive Director, MSRS, testified that the MSRS board did not inform the LCPR by the statutory deadline of their intent to raise contribution rates, no rates increases can go into effect.

Rep. Albright requested MSRS and TRA to send a letter to the Commission recognizing that the time has passed to inform the Commission of any proposed contribution rate changes and that they do not intend to raise contribution rates before the 2017 Legislative Session.

Ms. Hacking and Mr. Bergstrom indicated they would send a letter to that effect, referencing the applicable statutory citation.

There was no action on the motions.

Sen. Pappas reviewed the provisions of Amendment H2807-16A.

Mr. Bergstrom testified in support of the amendment, noting that the one-year stopgap measure will lower costs by \$18M for MSRS, but that there will be a need for a balanced package in the future.

Jill Schurtz, Executive Director, SPTRFA, testified in support of the amendment to remove the triggers and increase contributions for SPTRFA, but she noted the importance of implementing a full package.

Laurie Hacking, Executive Director, TRA, testified in support of the amendment, which will save TRA \$63.5M but there is a \$1.5B gap to cover and a more shared approach is needed.

Mark Haveman, Executive Director, Minnesota Center for Fiscal Excellence, testified that the current financial solvency measures are necessary but insufficient, and that more aggressive action is needed.

Julie Bleyhl, Legislative Director, AFSCME Council 5, testified in opposition to the amendment.

Sergeant Rick Nyson, MCF-St. Cloud, AFSCME local president, testified in opposition to the amendment.

Rodney Rowe, Secretary-Treasurer, Education Minnesota, testified in opposition to the amendment.

Joan Beaver, Education Minnesota Retired board member, testified in opposition to the amendment.

Sen. Pappas moved amendment H2807-16A. **MOTION PREVAILED.**

Sen. Pappas moved amendment H2807-20A, corrected to amend Amendment H2807-16A. **MOTION PREVAILED.**

2016 Omnibus Retirement Bill, Delete-All Amendment H2807-10A

In response to a question from Rep. Murphy, Ms. Barth informed members that H.F. 3347/S.F. 3411 does not set a bad precedent because the affected MnDOT employees were misinformed by MSRS.

Mr. Bergstrom testified to MSRS error.

Rep. O'Driscoll moved delete-all amendment H2807-10A, as amended, be adopted as the 2016 Omnibus Pension Bill. **MOTION PREVAILED.**

Non-Agenda Items

Motion LCPR16-M7

Ms. Lenczewski reviewed the motion, indicating that it gives the commission staff and plan directors direction for interim work.

Laurie Hacking, Executive Director, TRA, requested that the topic of financial sustainability be included.

O'Driscoll indicated that motion is not all-inclusive of what staff will be working on but is more informational for members and doesn't need to be in the form of a formal motion.

There was no action on the motion.

Adjournment

Rep. O'Driscoll thanked Commission members for their work and congratulated Dave Bergstrom, Senator Goodwin, Senator Johnson, and Senator Thompson on their upcoming retirements.

The meeting adjourned at 7:55 p.m.